

Annual Review – ORRAA 2022-2024

Title: Ocean Risk and Resilience Action Alliance Programme – Phase 2		
Programme Value £ (full life): £12,000,000	Review date: May 2024	
Programme Code: C5456	Start date: 03/11/2022	End date: 31/03/2024

Summary of Programme Performance

Year	2021-22	2022-24			
Overall Output Score	A	B			
Risk Rating	Medium	High			

DevTracker Link to Business Case:	
DevTracker Link to results framework:	

Description	Score
Outputs substantially exceeded expectation	A++
Outputs moderately exceeded expectation	A+
Outputs met expectation	A
Outputs moderately did not meet expectation	B
Outputs substantially did not meet expectation	C

This Annual Review was completed in May 2024 and reflects the delivery priorities and required compliance standards at the time. At the time of publication (September 2025) some of these priorities and standards have changed. The Annual Review has been published in the form it was approved at the time and should be considered in that context.

A. SUMMARY AND OVERVIEW

A1. Description of programme

The Ocean Risk and Resilience Action Alliance (ORRAA) is a multi-sector alliance focused on building the resilience and adaptive capacity of marine and coastal ecosystems and the coastal communities that rely on them. ORRAA is hosted by the Ocean Risk and Resilience Action Alliance Inc. ("ORRAA Inc."), a U.S. tax-exempt non-profit organisation headquartered in Washington, DC, USA, which provides Secretariat services to the Alliance. The Defra programme with ORRAA, funded through the Blue Planet Fund (BPF), aims to pilot and scale innovative financial solutions in support of ORRAA's mission, which is by 2030, to activate at least \$500 million (USD) of investment into coastal and ocean Nature-Based Solutions (NBS), and in doing so, help build the resilience of 250 million climate vulnerable coastal people in the Global South.

UK funding into ORRAA is used in two key ways. Firstly, by funding a pipeline of innovative finance and insurance pilot projects in priority ODA eligible countries, and secondly by growing the effectiveness of ORRAA to influence greater investments in coastal natural capital. This approach allows for impactful projects to be scaled and encourages greater confidence through private and public investment.

Defra and ORRAA work in close collaboration through a grant management framework which provides a robust methodology to deliver on Blue Planet Fund themes, focusing on reducing poverty and protecting the marine environment by increasing resilience to climate change. Strong partnership performance has driven mutual benefits to achieving shared goals during the early implementation phase of this programme. Phase 1 of the programme in 2021-2022 saw £1.9m in grant funding to ORRAA. This AR covers the first 17 months of Phase 2, a four-year direct grant of £12m to ORRAA from Nov 2022- March 2026.

A2. Summary supporting narrative for the overall score in this review

As per the Grant Agreement, (Schedule 3, table 2) ORRAA was asked to meet three milestones in the period under review (Nov 2022-March 2024):

- Milestone 1) Develop and agree with the Authority (Defra), a project selection process for the current FY, finalise a programme plan and agree the value of funding required for 'payment in advance' with the Authority, according to Schedule 5
- Milestone 2) Demonstrate that the programme has delivered against agreed KPIs, outputs and outcomes for the previous financial year
- Milestone 3) Effective financial reporting for the previous year's grant payments.

Milestone 1 - Defra and ORRAA have established a project selection process which allowed for project selection based on a range of factors with input from ORRAA, Defra and FCDO (UK and overseas teams). This consultation process has been successful, and we have agreed funding for 18 projects to date that align with BPF priorities, ORRAA's core aims and objectives and host country priorities for ocean, climate and nature. Agreeing the value of payment in advance required to initiate and sustain this many projects was not achieved in a timely way, but lessons learnt from this will be reflected in the revised grant agreement between ORRAA Inc. and Defra in 2024.

Milestone 2 – Project reporting on KPIs, outputs and outcomes have been limited due to 15 of the 18 projects being in the first 6-7 months of delivery at the time of this AR. That means data on outputs and outcomes are not currently available. Also, due to the frequency of project reporting, we have only received project reports on 3 of the projects which started in 2023. The other 2 projects which commenced in 2023 started after the reporting window (September) which we will receive in June 2024, along with reports for the other 13 projects in the pipeline.

Milestone 3 - Financial reporting was the responsibility of the Global Resilience Partnership (GRP) who up until 2024, was the grant administrator for the programme (to be replaced by ORRAA Inc.). One of the main reasons for a lower annual review scoring was that GRP's financial reporting did not allow Defra to clearly and consistently understand the financial breakdown to support payment milestones. The reports were accurate but were not fit for purpose as a basis for demonstrating

actuals, or as evidence for 'payment in advance' or 'payment in advance of need' as per the special conditions of the Grant Agreement between Defra and GRP.

ORRAA's Shorter term outcomes (2022-2024)

- 1) Undertake research and develop strategies to better understand, analyse, predict, model and manage ocean risk via the Coastal Risk Index project (CRI).
- 2) Deliver an increased pipeline of pilot projects for innovative finance products that increase coastal resilience in climate vulnerable communities in order that decisions can be taken on which of these to scale up and or replicate.
- 3) Grow the effectiveness of ORRAA to influence greater investments in coastal natural capital through participation in key events and discussions to promote the Alliance's work, projects and fundraising goals.
- 4) Improve the design/implementation of gender-sensitive ocean resilience pilot projects in key vulnerable regions.
- 5) Advance global narrative on ocean risk and coastal resilience with policymakers, finance leaders and investors.
- 6) Act as a connector and catalyst for bringing together private sector commitments and expertise to support government and not-for-profit action.
- 7) Act as a connector and catalyst for cross-sector collaboration across the Global North and South on ocean risk/ finance.

Based on the assessment of the output indicators, milestones and shorter-term outcomes, this programme has scored a B. The programme did not have a fully developed logframe at the time of writing and could not therefore be robustly assessed based on project level outputs and outcomes. In addition, financial reporting was an issue (see Milestone 3 paragraph above). See the detailed output scoring in section C for further detail.

A3. Major lessons and recommendations for the year ahead

Lesson 1: Financial reporting and payments

In this review period, Defra found the financial reporting cumbersome and at times, challenging to extract the right information to support financial claims. Creating more bespoke financial templates enabled Defra to more easily extract the relevant financial information, which reduced ambiguity for Defra staff when reviewing financial payments. This lesson was acted on in the review period and more detail is contained in the recommendation below.

Recommendation 1: Improve financial reporting by: 1) incorporating more detail about the types of evidence Defra require to assess a financial claim into the new grant agreement between Defra and ORRAA Inc. and 2) ensuring a mutual understanding of how the evidence and information mitigates risk of underspend and excess liquidity being held. These improvements will ensure higher quality, timely financial reporting and quicker processing of financial claims.

Lesson 2: Accounting and excess liquidity

It took time to understand what accounting changes were required due to the underspend from the previous ORRAA programme (Phase 1) which resulted in excess liquidity in Phase 2 of the programme. This issue was made more difficult due to fiduciary responsibilities being split at the time between ORRAA Inc. and GRP. The lesson learnt is that all parties need to have a common understanding of how accounting procedures and excess liquidity should be dealt with at future financial milestones.

Recommendation 2: Using advice from the Defra ODA Commercial Team, ensure the new grant agreement reflects the agreed process for handling over/underspend within the year and between Fiscal Years. Strengthen and maintain good communication and agreed financial reporting requirements and budgets with both ORRAA Inc. and GRP (moving solely to ORRAA Inc. when they take on fiduciary management), to avoid further discrepancies and delays to grant payments. The learning should also be embedded into the programme plan and routinely discussed at the regular programme management and risk update meetings between Defra and ORRAA. All parties should ensure meeting minutes are capture decisions and agreements in clear audit trails. Many of these recommendations are already under way at the time of finalising this AR (June 2024). Implementing Recommendation 1 above, will also support our response to this lesson learnt.

Lesson 3: Strengthening Gender Equality and Social Inclusion (GESI) and prevention of Sexual Exploitation Abuse and Harassment (SEAH)

Gender equality and social inclusion considerations are implicit within ORRAA's core objectives and investment criteria, however as the programme matures there is scope for GESI and safeguarding practices to be strengthened. The steps outlined in recommendation 3 below will strengthen GESI focus within this programme, such that at all stages of design and delivery, projects consider safeguarding and the inclusion and empowerment of people living in poverty, and within that those who due to reasons of gender, disability, age etc. may be excluded.

Recommendation 3: Defra and ORRAA will work closely together to ensure there is a clear poverty and linked GESI focus (whether indirect/high level) or direct (setting out how people living in poverty, how poorer communities, regions, countries will be targeted) within the Theory of Change and Logframe. GESI specific indicators will be included within the logframe, appropriately disaggregated. Information should be captured and reported at the project level, with ORRAA ensuring that new projects brought online have the appropriate KPIs agreed to do this; as well as impact on GESI reported on at the programme level. The current grant agreement under development will clearly set out the expectations on GESI, as will the GESI action plan currently being drafted.

To ensure that Sexual Exploitation, Abuse and Harassment (SEAH) is prevented and minimised through design, implementation and evaluation of ORRAA projects, Defra and ORRAA are also currently drafting a SEAH action plan. Similar to GESI, minimum expectations to ensure that the harm caused by SEAH is prevented and minimised, will be included in the new Grant Agreement. Given the relatively complex ORRAA project pipeline, ORRAA and Defra will work closely with downstream Delivery Partners to ensure minimum expectations are understood and being implemented, making multiple options for reporting and whistleblowing available to all stakeholders in the downstream delivery chain.

Lesson 4: Project Selection

With only 15 of the 18 projects being in the first 6-7 months of delivery at the time of this AR, project selection and delivery could be better aligned with reporting schedules. The lesson here is to streamline selection and mobilisation of projects and to harmonise reporting timelines where appropriate. Selecting projects in a way where delivery of multiple projects was aligned would help, as currently the start and end dates of projects are often not synchronised, meaning it is harder to assess the overall portfolio based on the varying delivery timings. Defra has learnt from this and adjusted our next annual review to align with receiving data from ORRAA in order to then incorporate this data into the annual review.

Recommendation 4: When selecting projects in future, aim to harmonise reporting of projects which will allow for more effective assessment. This will also support cross-portfolio learning.

Lesson 5: Risk management of a growing pipeline of projects

Having an increasing number of projects in the pipeline has meant that the need to manage project-level risk has increased, adding complexity to ensure good oversight and effective mitigation of those risks.

Recommendation 5: Increase the amount of time and resource dedicated to risk management within the programme through: risk as a standing agenda item for reporting and progress meetings, frequent and ongoing conversations with delivery partners about risk, agreeing shared definitions of risks and issues and, ensuring risks are being escalated appropriately. In addition, site visits will be used to test a range of identified risk categories (e.g. delivery, safeguarding, spend and management) and to ensure they are being effectively managed and mitigated.

B: THEORY OF CHANGE AND PROGRESS TOWARDS OUTCOMES

[1-2 pages]

B1. Summarise the programme's [theory of change](#), including any changes to outcome and impact indicators from the original business case.

Defra and ORRAA have jointly developed a ToC aligned with the new Blue Planet Fund and ORRAA TOCs. This ORRAA ToC is currently being finalised. As both the BPF and ORRAA have increased capacity in the MEL teams, we are working to retrospectively create a logframe which allows us to

understand the outputs, outcomes and impact of the existing projects which have been funded as well as ORRAA's contribution towards BPF outcomes at a programme level.

Secretariat function:

- 8) Grow the effectiveness of ORRAA to influence greater investments in coastal natural capital through participation in key events and discussions to promote the Alliance's work, projects and fundraising goals.
- 9) Help shape the conversation and narrative with regards to ocean and coastal community risks by working with policymakers, financial leaders, and investors.
- 10) Act as a connector and catalyst for bringing together private sector commitments and expertise to support government and not-for-profit action.
- 11) Act as a connector and catalyst for cross-sector collaboration across the Global North and South on ocean risk/ finance.

Through the alliance of members and funders, ORRAA have been able to grow their community of practice considerably. Their work to increase members of the alliance and work to achieve additionality through public and private funding has been successful through activities such as;

- Engaging in the global policy arena and undertaking additional research and modelling (examples include their contribution to the development of the Coastal Risk Index, hosting online workshops on blue carbon investment principles and ocean readiness of the Taskforce for Nature-related Financial Disclosures framework)
- Building out an External Affairs function within the Secretariat to influence relevant policy processes and inform their members.
- Continuing to develop the concept for a new global ocean finance framework: the Sea Change Impact Financing Facility (SCIFF). The SCIFF is envisaged to enable a step-change in the scale of finance channelled into ocean and coastal community resilience and adaptation as well as marine biodiversity regeneration.

ORRAA's 2023 action report¹ provides an overview of the work undertaken by ORRAA's Secretariat, including reports from several projects the UK has funded. Below is a case study from the action report.

Action report case study: Ocean Resilience Innovation Challenge (ORIC) Investors Forum: The Ocean Resilience Innovation Challenge provides six months of mentoring and leadership training to a cohort of 10 to 15 early stage, locally led projects selected following an open call for interest. Each project is looking to build on initial ideas that require incubation and mentoring to support novel and scalable finance and insurance products that build coastal resilience and reduce ocean risk. Based on this initial work, a sub-set of projects are selected to participate in a second phase of mentoring and support. This includes connecting projects with potential investors to help bridge the gaps between locally led innovation and the investment needed to accelerate their growth, and for some, seed funding of up to USD\$50,000. ORIC project graduates are eligible to apply for scaling support through the ORRAA Product Development Pipeline and SCIFF and can be championed for investment by other ORRAA members and partners.

In September 2023, during Climate Week, ORRAA hosted its first Investor Forum at New York's Explorers Club - an opportunity for selected ORIC projects to pitch their ideas to investors. More than 60 people from philanthropies, family offices, impact investment firms and ORRAA members, attended to learn about innovative financial products that aim to create more resilient coastal communities. Ten exciting projects pitched for a total of USD\$12m to take their work to the next level. Several are now in discussion with potential investors. The forum also announced the winners of the 2023 ORIC Cohort, each of which could receive up to USD\$50,000 to help them scale up. The event was made possible, thanks to support from the Swiss Re Foundation, the Government of Canada, the UK's Blue Planet Fund, and the United States Department of State.

The UK funded ORIC in phase 1 and in phase 2, recognising the importance of early investment to build a pipeline of innovative projects from the ground up. Many of these projects will also receive support to connect them with potential investors and bridge gaps between locally led innovation and the investment needed to accelerate their growth. Three of these projects have already been scaled

¹ [ORRAA 2023 Action-Report_Final-7-Feb-2024.pdf \(oceanriskalliance.org\)](#)

by the Canadian Government and one additional project is being considered for scaling at present by Defra. These three projects are:

- **Action for Ocean - Establishing a Voluntary Carbon Market (Tanzania).** The project aims to develop one of the country's first community-driven Voluntary Carbon Markets. By conserving and restoring mangroves, coastal communities around Dar-es-Salaam are capturing carbon to generate tradeable credits, creating a new, long-term revenue stream that directly funds local priorities like clean water, education, and healthcare. Following ORIC, AFO received an ORIC grant funded through Canada's Department of Environment and Climate Change that runs from
- **Save the Waves - Developing Insurance Products for Surf Ecosystems and Surf Breaks (El Salvador).** This project which has been supported through ORIC, entered into a grant with ORRAA in May 2024 funded through Canada's Department of Environment and Climate Change. The project safeguards surf ecosystems from the impacts of erosion and extreme weather events due to climate change. This is being undertaken through a combination of securing protected area status for surf locations, stewardship and community activism.
- **ABALOBI - Powering sustainable fishing through community-led technology (South Africa).** The project which has been expanded through ORIC, supports small-scale fishing communities with data, traceability and market platforms in Africa and beyond. The project has gone on to receive additional grant funding from ORRAA funded by Canada's Department of Environment and Climate Change from February 2023 to January 2025. At project close, ABALOBI's food security programme had fed 88,300 individuals, supplying affordable, high-quality seafood to coastal and adjacent rural communities. 8,117 fishers and fish workers were being supported by the project, approximately 51% women. An additional 36,525 people benefited indirectly.

In parallel with the UK signalling its confidence in ORRAA with the phase 2 grant funding in 2022, the Alliance's membership has grown by 44%. Further detail on this can be seen in output C3.1. Growing the membership base is important to increase funding for the Alliance and its projects but also increases expertise and partnerships within the Alliance that enables the capital market investment, which is needed to cement long-term impact.

Enabling ORRAA to grow the alliance therefore is a significant tool to leverage investment, grow the project pipeline and create an enabling environment for scaling projects further.

B2. Describe where the programme is on/off track to contribute to the expected outcomes and impact. What action is planned in the year ahead?

ORRAA's overall goal is to improve the state of coastal resilience for vulnerable populations, particularly women and girls using gender-sensitive approaches, in SIDS and coastal developing countries. Women and girls have been included in the design of the projects by weighting projects which have a focus on improving outcomes for women and girls, but Defra's assessment is that this area needs further work. ORRAA is in the process of creating a project level risk log across the whole project pipeline to manage GESI and SEAH risks and issues where they arise and corresponding mitigations. A variety of other actions are being taken, which are detailed in lessons learnt and recommendation 3. Defra's ambition is that the ORRAA programmes GESI empowering though this ambition will take time to realise. Based on the latest ICF guidance, ORRAA will need to be GESI empowering across all the six areas if the programme is extended beyond its closure date in March 2026.

It is too early in the programme life cycle to provide an accurate assessment of the majority of the intended outputs and outcomes of the ORRAA programme. This is because out of the 16 projects that have commenced, 10 are in the first 1- 4 months of delivery whilst 6 have only completed 8-12 months of delivery, being 1/3 of the way through the project lifecycle. That said, based on current performance, there is no indication that the programme will not meet its intended outputs and outcomes (being finalised through the logframe under development) , however with a large number of projects ongoing, it is reasonable to expect some of these projects may not be able to deliver on all their objectives in the timeframes suggested, especially when considering their innovative nature. The Business Case for this programme recognised these risks which Defra proposed to mitigate as far as possible through collaborative decision making, clear processes and performance milestones agreed between ORRAA and Defra.

There is potential for outputs and outcomes to be delivered but not achieve the expected impact. For example, the Vessel Viewer project being implemented in LATAM by Global Fishing Watch, may deliver useful recommendations for taking forward on approaches to tackle illegal, unreported and unregulated fishing; but may not have the expected long-term impacts to specifically reduce IUU in the region. Equally, some projects such as the Coast 4C project may be able to go beyond expected outcomes as the exact number of small-scale fishers moving to seaweed farming, could increase beyond expectations.

B3. Justify whether the programme should continue, based on its own merits and in the context of the wider portfolio

Defra recommends this programme continues. The ORRAA programme has the potential to mobilise² significant funding towards our international ocean and climate goals. Funding this programme has the additional benefit of identifying, testing and evaluating a range of sustainable finance mechanisms which will contribute a body of evidence to support decision making within the Blue Planet Fund. This will aid other programmes in the BPF portfolio to identify mechanisms which could be incorporated into existing and future programming.

C. DETAILED OUTPUT SCORING

Output Title	Output 1 - Project/product delivery & pipeline development		
	Relevant short-term outcomes: <ol style="list-style-type: none"> 1) Create an investable pipeline of pilot projects that generate innovative finance products that increase coastal resilience. 2) Improve the design/implementation of gender-sensitive ocean resilience pilot projects in key vulnerable regions. 		
Output number:	1	Output Score:	A - Outputs met expectation
Impact weighting (%):	n/a	Weighting revised since last AR?	n/a

C1.1 Briefly describe the output's activities and provide supporting narrative

Output achieved (long term): ORRAA have provided a large number of optional projects for Defra to consider funding towards. This has been done on an ad-hoc basis but most significantly through a BPF/ORRAA call for proposals conducted between April-July in 2023. This produced 132 project proposals comprising of pilot grants (to test and pilot innovative solutions) as well as project grants (to pilot innovative solutions and scale up and replicate proven ideas in new contexts). After an extensive selection process which involved the UK's overseas network, colleagues from other BPF projects and drew on ORRAA's recommendations. This process included applying a project assessment criterion where projects were scored based on a range of factors including gender equity, identifying projects which 'demonstrated potential to specifically improve gender' and 'outlined how women, children and other vulnerable groups will benefit'.

Below are two case studies of funded projects.

Example 1: Sustainable Fisheries Impact Bond – An Outcomes-Based Financing Model to Support Small-Scale Fisheries

Delivery Partner	Rare
UK funding	£403,226
Geography	Indonesia
Timeframe	January 2024 – December 2025 (24 months)

² Mobilising finance is funding from another actor that has been directed to an objective, project or programme that would otherwise not have benefitted from these funds and is a direct result of the original mobilising actor's efforts.

Overview	Project seeks to create an outcomes-based impact bond structure focused on small-scale fisheries (SSF) which would offer a return on investment and social/environmental impact. In support of the UN's 30x30 targets, revenue from the impact bond will fund establishing five Managed Access with Reserves areas (MA+Rs) as Other Effective Conservation Measures (OECMs) while building financial resilience for the community management of SSFs.
Deliverables	Final binding agreement with final impact bond contract, ii) finalized contracts with third party evaluator and providers for impact bond-funded services, iii) implementation and delivery of services including establishment of legal and functional MA+Rs and fishery management bodies, iv) third party evaluation report.
Expected Impact	During the project implementation period, the establishment of 5 MA+Rs would benefit 160,000 people (cohort 1 fund). By implementing sustainable SSF management practices and MA+Rs, the project estimates long-term impact of enhancing the social and economic resilience of local communities (10,500 households and 50,250 community members benefitted) and contributes to environmental sustainability and related benefits (60,000 hectares of coastal seas designated in MA+Rs).

Example 2: Wildlands Conservation Trust (WildTrust) iSimangaliso MPA Innovative Sustainable Financing Solutions

Delivery Partner	WILDTRUST
UK funding	£321,000
Geography	South Africa
Timeframe	October 2023 – September 2025 (24 months)
Overview	Advance MPA financing and 30x30 action in South Africa by bringing together government, corporate and private sector, investment and insurance interest, around a common goal of an effective and representative national MPA network. It will also work at the local level to incubate and implement finance solutions for the iSimangaliso MPA.
Deliverables	Establish partnerships for sustainable marine financing in South Africa, ii) develop national 30x30 needs assessment and sustainable finance plan, iii) refine iSimangaliso MPA sustainable finance plan., iv) implementation of at least 2 new sustainable finance solutions for effective conservation of marine biodiversity in MPAs.
Expected Impact	Project expects to harness momentum towards financing marine 30x30 ocean agenda in South Africa network of 42 MPAs, and at the local level contribute to improved sustainable livelihoods for 10 rural communities (~5000 direct beneficiaries), conservation of coastal ecosystems along a 200km stretch of coast (11,635 km ² marine area plus, 352 km ² estuarine area) in iSimangaliso MPA.

Below are some reflections from a project site visit that took place in the Philippines during April 2024. These visits took place just outside of the timeframe for this annual review but offer valuable insights into the work that is being achieved through two of the projects in this programme.

Site Visit – Coast 4C, Bohol and Jetafe, Philippines

Project overview: Coast 4C's project in the Philippines aims to diversify livelihoods by enabling local community members to move away from reliance on small-scale fishing for their income and into seaweed farming. Coast 4C (the four C's stand for community, commerce, conservation and climate) is an NGO which was created in 2022 and focuses on capacity building for local regenerative seaweed farming as a tool to enhance the resilience of climate vulnerable coastal communities in and around MPAs

Through this project, seaweed farmers, 80% of whom are women, received high quality equipment and seedlings along with improved on-farm technologies and management support to develop and expand sustainable seaweed farms. Farmers who are part of the project also partake in the 'grow programme' which helps to upskill the farmers and create a community of practice to allow support for farmers.

Farmers who partake in the programme also participate in the co-management of local MPAs that are referred to as 'iMPAs'. The i in iMPA stands for inspiring, inclusive, integrated and innovative. MPAs in the Philippines are on average 16ha in size and predominantly focus on corals. Less than 10% of them are effectively enforced. C4C's 8 prototype iMPAs are 45x larger than the average MPA size in the Philippines. Part of the project is to establish and maintain these iMPAs, with seaweed farmers supporting the monitoring of no-take replenishment and sustainable use zones. The iMPAs visited were part of an integrated approach to fisheries management and were designed with input from community and local officials.

With 80% of seaweed farmers being women, the project showed the ability to have positive impacts on gender equality and poverty, by diversifying livelihoods and offering sustainable employment opportunities to women. The project aligns with UK ODA priorities and delivers a range of positive outcomes for nature recovery, through seaweed farming and MPA management, which allow for biodiversity and ecosystem recovery.

As of May 2025, the outcomes of this project (in part achieved outside of this review) are:

- 434 seaweed farmers (334 women and 100 men) attended on-site product demonstrations
- 208 farmers (161 women and 47 men) trained on GROW approach
- 27 farmers (197 women and 60 men) received production input support packages. 206 of which are supported by ORRAA/UK funding and 51 jointly supported by another grant. These input packages transition farmers from traditional to regenerative practices, improving seaweed quality and yield.
- Inspecting the seaweed produced as part of Coast 4Cs operation in the Philippines.

C1.2 Describe any changes to this output during the past year, and any planned changes as a result of this review.

Building on the challenge mentioned in section C1 regarding project selection, we have been limited in the number of projects selected for SIDS and LDCs due to the number and quality of project proposals from these priority regions. Defra is considering ways to increase the pipeline of projects to bolster the number of projects in underrepresented regions by holding a call-for proposals exclusively for SIDS and LDCs. This would help address the balance of projects (and overall ICF funding) that is being spent in these countries.

Defra is also considering funding other financial mechanisms that ORRAA are developing, such as the Outtrigger fund, a dedicated ocean impact fund directed exclusively towards addressing the funding gap for SIDS and increasing long-term economic growth.

C1.3 Progress on recommendations from the previous AR (if completed), lessons learned this year and recommendations for the year ahead

One of the lessons from the phase 1 annual review was to consider if 'several current and future pipeline countries and project themes can be shared between ORRAA and the UK's MPA, IUU and COAST programmes'. Through the project selection process in Phase 2, Defra sought and incorporated views from other members of the programme team who manage COAST, IUU leads and MPA programme leads. This has been an important step in deciding which projects to select, take onboard learning from other programmes and to avoid any negative duplication thematically or geographically.

There will continue to be a focus in the coming year on strategic approach to selecting projects, allowing Defra to ensure high value for money and to begin to scale projects which deliver outcomes that align strongly with portfolio level outcomes. There is also an opportunity to learn from the COAST and OCEAN programmes about project selection and share this with the ORRAA team, if we are to conduct another call for proposals in the future.

C 1.4 Assess the VfM of this output compared to the proposition in the Business Case, based on performance over the past year

In the VfM section of the phase 1 annual review, it discussed the ‘four E’s’ of ODA VfM. With regards to Economy (are we buying at the right price) – ORRAA scrutinises all downstream partner budgets, often resulting in reduced costs for the delivery of the project before we have made any initial commitments to fund. For Efficiency (are we spending well), we have developed our approach to selecting projects whilst funding a range of thematic areas (novel bonds, aquaculture, blue carbon, micro-finance etc.) However, the nature of these projects is to pilot and test new innovative solutions and selection has taken into consideration a range of strategic factors. For example, in the first round of project selection, Defra weighed projects specifically on whether they had a gender focus which increased the number of gender specific projects would be included in the portfolio. For Effectiveness (are we spending wisely), Defra has incorporated a range of views from across HMG and have continued to fine tune the selection process to reduce duplication and complement other projects across the BPF portfolio where possible. For Equity (are we spending fairly) Defra has learned our project pipeline has become disproportionately heavy in LMICs and needs to be balanced with more projects in SIDS and LDCs. This imbalance has largely been due to the quality of project proposals we have received or where we have ensured the third E (effectiveness) has been fully incorporated into our decision-making process.

ORRAA currently has a total of 66 projects in the pipeline. The majority of these projects are led by civil society organisations as ORRAA’s focus is for non-profits and Small Medium Size Enterprises (SMEs) in the global south to lead work, with private and government partners as supporting partners. Most of the private sector led projects are from the Ocean Resilience Innovation Challenge (ORIC) that the UK has funded.

Output Title	Output 2: Engagement & Influence Short term – Grow the effectiveness of the Alliance to influence greater investments in coastal natural capital. Long-term - Advance global narrative on ocean risk and coastal resilience with policymakers, finance leaders and investors. Participate in key events and discussions to promote the Alliance’s work, projects and fundraising goals. Bringing crucial private sector commitments and expertise to support government and not-for-profit action		
Output number:	2	Output Score:	A+ Outputs moderately exceeded expectation
Impact weighting (%):	n/a	Weighting revised since last AR?	n/a

C2.1 Briefly describe the output’s activities and provide supporting narrative

ORRAA’s mission is to build the resilience of 250 million climate vulnerable coastal people in the Global South by 2030, by deploying at least USD\$500 million of investment into coastal and ocean resilience. To drive these levels of finance, ORRAAs team have played an important role in developing and growing this emerging and nascent economy, increase confidence in the proposition of investing, and develop the infrastructure to enable the levels of investment needed to achieve its mission.

Long term outcome: Examples of activities ORRAA has led to influence and engage are below.

Deutsche Bank x ORRAA September 2022

ORRAA engaged with the investment community and advanced ocean literacy through the inaugural Deutsche Bank x ORRAA Ocean Conference in Mallorca.

ORRAA Solutions Lab – April 2023

ORRAA worked with Alliance member Clyde & Co to host a Solution Lab on the Taskforce on Nature related Financial Disclosure

ORRAA showcased their Sea Change Impact Financing Facility – Sept 2023

ORRAA showcased the SCIFF to more than 90 attendees.

ORRAA hosted Solution Lab – October 2023

The solutions lab focused on “Integrating Nature-Based Solutions into Risk Management Programmes” with members Swiss Re, Iberostar, and Reefy.

ORRAA hosted Solutions Lab – November 2023

Working with members Salesforce, Conservation International, The Nature Conservancy, and the World Economic Forum to host a Solution Lab on the High-Quality Blue Carbon Principles and Guidance. With more than 70 attendees, the discussion focused on how to attain and maintain quality in the blue carbon market.

Host an Investor Forum - December 2023

The aim of this forum was to identify & connect five possible project partners and investors. The investor Forum was a crucial opportunity to give exposure to the early stage ORRAA project portfolio, and to continue to build the community and pipeline of investable Ocean resilience initiatives.

Grow the ORIC community of practice to 150 members. – ongoing

The size of the ORIC community of practice is ~116 members. This has been done through the investor's forum, the leadership academy and the supply chain masterclasses. The community of practice has also been expanded by connecting projects to potential funding opportunities external to ORRAA.

ORRAAs Funding Advisory Board (FAB) meetings – ongoing

The FAB is a meeting or alliance members to identify co-funding opportunities among funding members, developing strategies for more sustainable/longer term financing for the Alliance and its projects and share ideas/opportunities to leverage match funding.

To strengthen collaboration among Commonwealth countries, ORRAA has been working with the Commonwealth Secretariat's Blue Charter (CBC) to establish a Commonwealth Blue Finance Working Group. This group will facilitate the sharing of experiences and perspectives on accessing ocean finance. ORRAA have also influenced through existing channels, such as COP27, COP28, IMPAC5. At the G7, ORRAAs work made progress to move the dial of the debate and influence policy solutions in the ocean space, with the publication with the Europe Jacques Delors Institute of a report which called on the G7 to secure financing to prevent ocean degradation.

C2.2 Describe any changes to this output during the past year, and any planned changes as a result of this review.

Changes to this output are hard to quantify as ORRAA have not set an explicit targets or baselines for engagement and influence. ORRAA have been able to make good progress towards achieving their outcomes of 'Growing the effectiveness of the Alliance to influence greater investments in coastal natural capital' and with a completed logframe which has clear targets (to be finalised in June 2024) we will be able to monitor closely ORRAAs ability to convert influence into greater investment into natural capital.

C1.3 Progress on recommendations from the previous AR (if completed), lessons learned this year and recommendations for the year ahead

In the previous Annual Review, one recommendation was to 'Identify how ORRAA can more closely join-up and share lessons learnt (and vice versa) with wider BPF programming to drive greater efficiencies in delivery and contribute to greater impact'. This recommendation has been completed to an extent, with increased 1-1 meetings and project selection workshops. The BPF programme team has also been able to share knowledge and learnings on blue finance with the wider division within Defra.

We have learnt that ORRAA have been able to continually expand the alliance (membership has increased by 44% - from 63 to 9 members - in this review period) and engage effectively with financial institutions and the international community to advance their mission. As grant funders, there is more that could be done to utilise ORRAA's relationships, specifically with other grant funders, to fund and scale projects in the future. This recommendation will be dependent on which projects are able to be scaled and over what timeframe.

C1.4 Assess the VfM of this output compared to the proposition in the Business Case, based on performance over the past year

In the strategic section of the business case, it discusses some of the barriers to mobilising blue finance which includes a lack of familiarity with ocean-based project development and financing by both the business and finance sectors. This is commonly understood to be a significant factor in the ability to increase nature-positive projects and part of the reason SDG14 is the lowest funded of all the SDGs. ORRAAs work to address this ocean and finance literacy issue is currently hard to measure, but there are clear signs that there is increasing investment and understanding in the opportunities available in the blue economy by investors and banks. This in part is due the work that ORRAA have done to engage and influence a range of stakeholders and to lay the ground work that increases confidence in ocean-based investable opportunities.

Output Title	Output 3 - Resourcing & Institutional building Short term – Grow the effectiveness of the Alliance to influence greater investments in coastal natural capital. Long-term - Advance global narrative on ocean risk and coastal resilience with policymakers, finance leaders and investors. Participate in key events and discussions to promote the Alliance's work, projects and fundraising goals. Bringing crucial private sector commitments and expertise to support government and not-for-profit action		
Output number:	3	Output Score:	A - Outputs met expectation
Impact weighting (%):	n/a	Weighting revised since last AR?	n/a

C3.1 Briefly describe the output's activities and provide supporting narrative

Short term: this output is a cross-cutting output which is linked to both output 1 (growing the pipeline) and output 2 (influencing and engaging). This output refers to both the growth of ORRAA as a broader alliance and also the external affairs outreach ORRAA has conducted.

ORRAAs organisational growth has been significant and will be a contributing factor to the long-term success of ORRAAs goals and the UKs goals. ORRAAs alliance started with 22 members in 2019. The membership now stands at 94 members. A breakdown of its current membership can be seen in Table 1 below.

Table 1: ORRAA membership as of May 2024

Total number of representatives	Breakdown of institution
48 Full Members	13 Finance and Insurance 7 Governments 4 Academic institutions 16 Non-Governmental organisations 7 Non-Finance corporates 1 Philanthropy
7 Institutional Partners	2 Finance and Insurance 2 International organisations 2 Multilateral development banks 1 Non-Governmental organisations
20 Observers	2 Finance 8 Governments 1 International organisation 9 Non-Governmental organisations
19 Project Delivery Partners	1 Academic institution 16 Non-Governmental organisations Non-Finance corporate

ORRAA is recognised as a leading global player at the intersection of ocean, coastal communities, and investment. This has been achieved in part through its external affairs outreach, with some examples of this below. See **Annex C** for further detail.

Between April - September 2023, ORRAA has developed new content on ocean risk and resilience, including blogs, videos, reports, promotions, and media engagements.

Between October 2023 and March 2024, ORRAA has continued to increase visibility for the Alliance and its members through its activities at COP28 in Dubai³ as well as launching a new campaign theme in 2024 based on women and entrepreneurship. During COP28 specifically, which was a key moment to drive visibility, ORRAA reached more than 60k impressions on LinkedIn, over 1.7k reactions and over 1,200 people accessing the ORRAA account via mobile devices.

C3.2 Describe any changes to this output during the past year, and any planned changes as a result of this review.

Changes to the Alliance

Between 3 November 2022 - March 2024, ORRAA increased its alliance membership by 28 organisations - an increase of 44%.

- Total number of members in November 2022 was 63
- Total number of members in March 2024 was 91

Changes to the total projects in the pipeline (not exclusive to Defra funded projects)

Between 3 November 2022 - 31 March 2024, ORRAA grew its project pipeline from 37 to 62 projects - an increase of 68%. The breakdown of funders for these projects is shown below.

- An increase from 32 projects to 47 projects funded by civil societies or non-profits
- An increase of 4 projects to 15 projects funded by the private sector
- 2 multilateral organisations (no increase during this timeframe).

C3.3 Progress on recommendations from the previous AR (if completed), lessons learned this year and recommendations for the year ahead

One of the key lessons in the previous annual review was to 'Identify how ORRAA can more closely join-up and share lessons learnt (and vice versa) with wider BPF programming to drive greater efficiencies in delivery and contribute to greater impact'. There has been some progress on this recommendation though there is more work to be done, which will be taken forward into the next Annual Review period. We can see that under FCDOs Climate and Ocean Adaptation and Sustainable Transition (COAST) programme, ORRAA is part of a consortium bid to support the integrated delivery in Indonesia, the Philippines, Vietnam, and Mozambique (with the potential expansion to Bangladesh and Nigeria). ORRAA have also utilised the Blue Planet Fund by submitting a proposal to the OCEAN Grants Programme which would be sub-granted to INVERSA Leathers - a project that has come from ORIC 22 which was funded through this programme.

There will also be a cross-sector learning session on a project funded through ORRAA taking place in August 2024. Rare will be holding a session with the Foreign Commonwealth and Development Office and Defra to present a Case study and learning session on their coastal fisheries Impact Bond. Participants included FCDO's Private Sector Development and Climate & Environment networks, UK-based and across FCDO's global offices. The sessions' objective is to build the cadre's understanding of the use of outcome-based financing mechanisms, including Rare's perspective on the advantages/challenges, and to provide an overview of Rare's work on the small-scale fisheries Impact Bond in Indonesia and Philippines.

The ORRAA programme team in Defra have built further relationships with the Canadian government through ORRAA's facilitation, and we will look to grow this relationship to identify opportunities for collaboration and possible joint-funding opportunities in the future.

A formal lessons exchange has not been conducted, however the BPF programme team have been able to share lessons from two separate site visits on projects that were conducted as part of the programme. These presentations have discussed the financial mechanisms that have been used in 4-5 projects and a range of context and background information about country-specific challenges about development programming.

³ [COP28 Summary \(releasd.com\)](https://releasd.com)

C3.4 Assess the VfM of this output compared to the proposition in the Business Case, based on performance over the past year

As mentioned in section C1, ORRAAs work to grow the alliance and communicate the opportunities available is fundamental to achieve the long-term outcome to surface, incubate and scale 50 finance and insurance solutions that build resilience by investing in nature by 2030. In the intervention summary of the business case is also shows ORRAAs clear set of short-term outcomes (see **annex C**). 4/7 of these short-term outcomes are linked to the activities in output 3 and contribute to the growth that ORRAA has achieved within the organisation.

Output Title	Output 4 - Global Resilience Partnership management services		
Output number:	4	Output Score:	B - Outputs moderately did not meet expectation
Impact weighting (%):		Weighting revised since last AR?	[If Yes, up or down?]

C4.1 Briefly describe the output's activities and provide supporting narrative for the score.

As a result of ORRAA being deemed a high-risk programme, all financial management and reporting was (during the time of this review) hosted by the Global Resilience Partnership (GRP) whose role as the grant administrator was to oversee the financial monitoring of funds. A 5% overhead cost went to GRP as the grant administrators who take responsibility for financial, management, legal, and administrative aspects of the grant agreement.

GRP have provided a regular series of reports including financial, workplan and project reports; reports about the secretariat activities and executive summaries. These have been detailed and mostly delivered on time. GRP have been an important part in the management of the programme but during the last 17 months of the grant financial reporting has been increasingly challenging. Financial reporting has sometimes been hard to interpret, presenting a detailed but at times inaccurate breakdown of ORRAAs anticipated and actual spend. This has provided challenges to be able to align the funds ORRAA has spent and any funding in advance of need, in line with payment milestones. The team at GRP have been engaging and available to resolve issues, however, it has also at times proved time consuming and challenging to do so.

Part of the reason for the scoring is because of the complexities that have arisen through the programme when using a third-party organisation to act on behalf of another organisation (ORRAA) and the challenges that arise from this.

C4.2 Describe any changes to this output during the past year, and any planned changes as a result of this review.

The role of GRP did not change throughout the last year (April 2023 – March 2024). Following a due diligence assessment on ORRAA Inc., the responsibilities of managing the grant were moved to ORRAA Inc. on 1st July 2024. Driving this decision was a desire to simplify the arrangement and remove the 5% overheads costs which could then be reprofiled into programme activities. This move is in line with ORRAA's Business Plan for the growth of the alliance and its operation as an independent organisation. As ORRAA Inc. are now managing the grant, the grant agreement was revised, providing a good opportunity to, for example, learn from the initial financial and reporting challenges and develop new financial reporting templates, clearer definitions on what can be claimed for at any payment milestone and clearer definition of terms.

C4.3 Progress on recommendations from the previous AR (if completed), lessons learned this year and recommendations for the year ahead

One of the lessons in the previous annual review was to 'Improve reporting processes and clarity on the milestones for all parties (ORRAA, Defra and downstream delivery partners) to allow for more transparent and comprehensive reporting'. During the timeframe of this annual review, some changes were made to improve communication and increase the clarity of reporting. The creation of more suitable reporting tools and measures are being developed as part of the new grant agreement.

Another lesson mentioned in the previous annual review was that ‘there was no dedicated Defra team programme manager between November 2021 and April 2022 and that sufficient resource is needed to enable effective programme management’. This lesson has been acted upon with a full-time programme manager now in place though previous gaps in resourcing did cause delays at times.

C4.4 Assess the VfM of this output compared to the proposition in the Business Case, based on performance over the past year

Within the Business Case, section 1.4 on Gender equality and inclusion states that ‘All projects submitted to ORRAA are required to demonstrate how gender and equity will be addressed, and these dimensions are also included in reporting’. Gender has been noticeable in some of the projects reported on, for example in the ‘Gender and Social-Ecological Resilience in Coastal Systems’ project by Stockholm Resilience Centre. Gender however is not being reported on consistently for each project, and it is apparent from the latest reports from October 2023-March 2024, there is a lack of information about how GESI is being included in the design and delivery of each of the projects. This has formed part of the lessons learnt in this review and is something Defra and ORRAA will be working on as part of the GESI action plan.

D: RISK

Overview of risk management

Risk appetite

ODA programming and ICF ODA spend can by its nature be an innovative funding mechanism, providing finance where private or third sector is not able. This is the case with the ORRAA programme, and Defra have taken an Eager⁴ risk appetite as regards project/ programme implementation as the level of residual risk is⁵ high due to the projects piloting new and innovative financial mechanisms. Completed pilot projects we have previously funded or replicated in other geographies offer a lower level of residual risk. Defra’s ORRAA programme operates within an open risk appetite for strategic and context, and cautious risk appetite for delivery, financial, reputational and safeguarding.

Risk Management

Risks are monitored through a RAID log, with oversight from the SRO and escalation to governance boards as needed. Risks arise at both delivery and programme levels and are managed per UK guidance.

As outlined in Lesson 5, increasing numbers of projects means greater complexity in risk management and mitigation. During the next review period, Defra will ensure more time and resource is spent on risk management (see recommendation 5 for more detail).

Due diligence risks

In February 2024, a due diligence assessment was completed on ORRAA Inc. as part of the transition of the grant administrative function. This assessment looked at 5 themes: Governance and Internal Control, ability to deliver, financial management and stability, downstream delivery and safeguarding. As a result of this assessment, 5 risks were identified, which feature in the risk register below. Our response to these risks is shown below, with several of the mitigating responses being incorporated into the new Grant Agreement which is currently being developed and finalised.

E: PROGRAMME MANAGEMENT: DELIVERY, COMMERCIAL & FINANCIAL PERFORMANCE

⁴ An Eager risk appetite is defined as being ‘Eager to be innovative and to choose options based on maximising opportunities and potential higher benefit even if those activities carry a very high residual risk’.

⁵ Residual risk refers to the risk that remains after efforts to identify and eliminate some or all types of risk have been made.

E1. Performance of ORRAA & GRP

ORRAA's have showed commitment to achieving their mission and a dedicated approach to working with Defra. They have engaged with Defra colleagues with enthusiasm and have gone above and beyond to work collectively with us to address our needs as the Grant Managers. Their ability to strategize, communicate their vision to a broad audience and engage stakeholders to buy into that vision has been impressive.

Recent field visits to pipeline projects have been very positive and have shown that projects are, and will continue to deliver positive impacts on poverty, biodiversity, financial literacy and increased resilience in specifically targeted areas.

Their reporting on projects and impacts has improved over time but still requires more specific detail relevant to Defra's reporting needs – notably the impacts on poverty and gender equality. ORRAA have provided a wealth of information about how the organisation is making and taking opportunities to grow ocean resilience as an investable opportunity for both public and private investment. ORRAA has been compliant with all the requirements stated in the grant agreement.

With regards to risk, ORRAA provided a timely and detailed delivery chain map. Initial due diligence has been undertaken, and systems are in place to offer guidance and standards with regards to safeguarding. The ongoing conversations ORRAA have with each delivery partner provides an opportunity to strengthen risk management and to create a dialogue around the importance of strong risk management. ORRAA have begun to focus more on this area with delivery partners and risks are therefore being identified and communicated more regularly. The Defra programme team will also ensure increased attention on both project and programme level risk is incorporated into the grant agreement which is being developed. Alongside implementing actions in the GESI and SEAH action plans, Defra anticipates that ORRAA's risk identification, mitigation and management will continue to improve.

GRP provided clear financial reporting, suitable to Defra's needs early on in the grant. As the project pipeline grew, it became harder for GRP, ORRAA and Defra to consolidate a clear picture of what was needed and provide that in a way that was concise and digestible. The financial reports did not provide the complete picture of what ORRAA needed as part of the 'payment in advance'. Actions to improve this are underway and detailed in sections A3, recommendation 2.

Project pipeline: delivery

Due to the staggered timeline of project initiation and reporting schedules, reporting is available at present for 9/16 projects. 3 of these projects have leveraged additional funding. More in-depth analysis on project performance will be available at the end of June 2024. See Annex B for a Gantt chart of projects funded in Phase 2 of the ORRAA programme.

1. Vanga Blue Forest (Kenya)

The Association for Coastal Ecosystem Services (ACES) is pioneering a biodiversity crediting standard for marine ecosystems, aiming to co-generate carbon and biodiversity credits. Progress includes community consultations and collaboration with Plan Vivo on technical standards. Despite financial constraints for biodiversity monitoring, the project is advancing with academic partnerships and stakeholder engagement.

2. AMOR – Ocean Bound Plastic Credits (Mozambique)

AMOR has trained CSOs and conducted waste collection campaigns removing over 18 tonnes of waste. The KOLEKT app is being used to track waste and connect collectors with buyers. Challenges include digital infrastructure limitations, but the project is adapting with manual data entry solutions.

3. Fauna & Flora International (FFI) – Biodiversity Fund (Vietnam)

FFI is establishing a community-managed fund to support biodiversity-friendly enterprises. Initial consultations and legal groundwork have been completed, with stakeholder engagement ongoing. The project is navigating governance sensitivities effectively.

4. Fundación Marviva – Microinsurance for Fishers (Costa Rica & Panama)

Marviva has secured technical partnerships and is conducting stakeholder needs assessments.

Despite political challenges in Costa Rica, the project is progressing with awareness campaigns and insurance product development.

5. ORIC – Ocean Resilience Innovation Challenge (Global)

The initiative is building a pipeline of investable, community-led ocean resilience projects ORRAA has awarded grants to four innovation challenge winners. ORIC23's second mentoring phase started in February 2024. Project leads per project will meet their mentors monthly until September 2024.

6. Rare – Microinsurance Expansion (Philippines, Indonesia, Honduras)

Rare has issued thousands of new insurance policies and delivered literacy training to over 4,000 individuals. The project is addressing market gaps and regulatory barriers, with strong government partnerships.

7. Rare – Small-Scale Fisheries Impact Bond (Indonesia)

This pioneering impact bond is in the final stages of contract negotiation with major philanthropic investors. Implementation has not yet begun, and the UK grant is being held until the contract is signed, ensuring accountability and performance-based disbursement.

8. University of Education, Winneba (UEW) – Mangrove Carbon Credits (Ghana)

UEW has engaged stakeholders through a workshop which brought together 32 stakeholders representing government, traditional authorities, landowners and farmers. UEW have begun mapping mangrove farms for carbon credit development, with early carbon stock assessments and training activities are underway.

9. WILDTRUST – MPA Financing (South Africa)

WILDTRUST seeks to advance marine protected area (MPA) financing and 30x30 action in South Africa. WILDTRUST have established the MPA Sustainable Finance Reference Group and have chaired 10 reference group meetings. WILDTRUST organised meetings with the UNDP lead for South African BIOFIN initiative and the Steering Committee members of the Sustainable Landscape Finance Coalition. The two parties have also joined the Reference Group.

Performance of Defra

Defra performance in terms of commercial, financial and ODA advice has been consistent when offering important support to deliver on the grant. Commercial colleagues have been supportive, dedicated and offered high levels of input into the development of the grant agreement. Financial colleagues have equally provided important advice and addressed issues with accuracy and at pace. Defra's ODA hub has been patient and supportive, providing flexibility to the programme management needs and resourcing restraints. ODA hub colleagues have supported with the development and understanding of delivery chain mapping and have provided constructive feedback.

The day-to-day programme management has been stretched due to an ongoing vacancy in the team. This has had a knock-on effect and delayed this annual review and the new grant agreement, for example. Project selection, risk management and other core management work has been completed on time. Further resource has now been identified to ensure the programme has the right level of support going forwards.

E2. Value for Money

Economy: As outlined in the business case, ORRAA's selection process is designed to critically assess proposals to ensure they offer good VfM and provide robust MEL to track progress of achieving objectives. This consultative process has ensured that all projects funded align with ORRAA's core aims and objectives, promoting collaboration with reliable and reputable organisations. ORRAA has established a well-resourced team to deliver the growth of ocean finance and establish a model which allows for the projects to scale where appropriate. Further to this, ORRAA scrutinises all downstream partner budgets, often resulting in reduced costs for the delivery of the project before any initial commitments are made to the fund.

Efficiency: Many of the projects which have been funded are in the early stages of their lifecycle or are yet to commence. This means that the data from a logframe to support future investment is still emerging and we aren't able to provide significant evidence to demonstrate the efficiency of inputs to outputs. That said, all projects have been carefully selected, funding a wide range of thematic areas to develop innovation in financial mechanisms in coastal, climate vulnerable countries. The nature of

these projects is to pilot and test new innovative solutions, and selection has taken into consideration a range of strategic factors to account for any associated risks.

In the absence of Defra funding for ORRAA, many of the innovations in blue finance may not have been able to either be piloted or scaled. This would result in a lack of investable opportunities which can attract private finance, also resulting in a lack of overall finance mobilised. The ORRAA project pipeline is a core part of developing innovative finance mechanisms in ODA eligible countries to mobilise additional finance towards many Sustainable Development Goals (SDGs). In future, it would be useful to evaluate the specific project's ability to scale and attract additional investment into priority regions such as SIDS and LDCs.

In March 2024, ORRAA provided an updated report on the finance leveraged from UK funding to ORRAA from 2020-2024. The funding leverage ratio was 1: 9.91. The breakdown from public, private and philanthropic can be seen in the table below.

Leveraged funding source	Leveraged funding amount (GBP)
Public funding leveraged	
Private Funding leveraged	
Blended (public and private) leveraged	
Total public, private and blended funding leveraged:	

Effectiveness: As stated previously, it is too early in the programme life cycle to provide an accurate assessment of the intended outputs and outcomes of ORRAA. Of the 16 projects that have commenced, 10 are in the first 1-4 months of delivery whilst 6 have only completed 8-12 months of delivery. This does not currently provide us with a set of data which would provide a meaningful assessment of the programme's effectiveness. There is currently no indication that the expected impacts of the programme will fall outside of time, costs or quality, however it is reasonable to expect that some of these projects may not be able to deliver on all their objectives in the timeframes, especially due to their innovative nature. The business case highlights these risks, and the mitigations.

Monitoring projects outcomes and impacts will be essential within ORRAA over the next 12 months. This will allow a more conclusive review of the project's effectiveness and the impact this has on VfM in future review periods. With the addition of a logframe and targets being set to baseline performance, we will increase our ability to assess VfM and demonstrate the impact that these projects are having.

Equity: Gender equality and social inclusion are embedded within ORRAA's core objectives, with all projects submitted being required to demonstrate how they will address gender and equity. However, it is apparent from latest reports (October 23- March 24) that there is a lack of information on how GESI is being included in the design and delivery of each programme.

The recommendation from this annual review for greater emphasis on GESI within project design, selection and delivery through promoting clear poverty and GESI disaggregated indicators will improve understanding of GESI at both a programme and portfolio level. Where this recommendation is addressed in future reporting periods, a more robust analysis of GESI impacts on VfM will be able to be made.

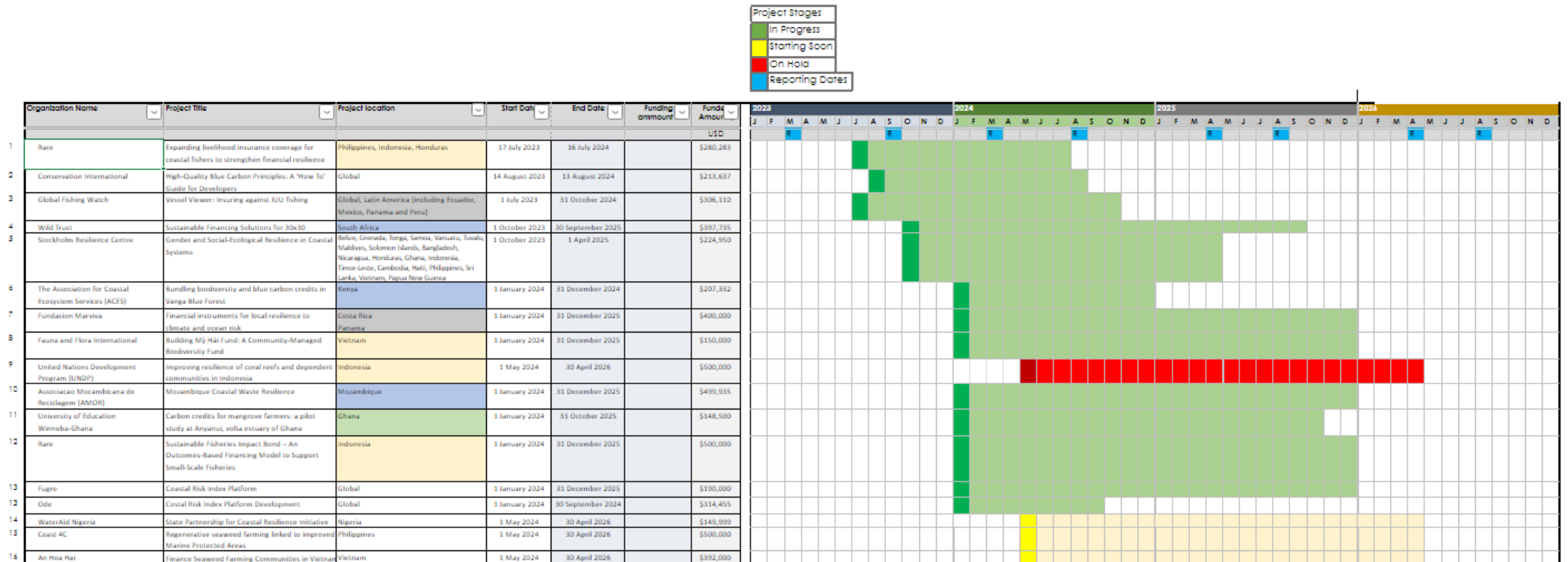
Conclusion: Overall, it's difficult to make a conclusive statement on ORRAA's VfM position. This is largely due to the early point in the programme lifecycle, the complex structure of the programme, and lack of available data in this reporting period. With the developments highlighted in this VfM section implemented, future reviews should have more to draw on and thus produce a more conclusive evaluation of the programme.

Annex A: ORRAA's Logframe

Appendix I: Logic Model

Ultimate Outcome	Improved state of coastal resilience for 250 million people by 2030, particularly women and girls in SIDS and coastal developing countries where ORRAA finance products/projects have been deployed					
Indicators	<i>People supported to be resilient, with a focus on women and girls (### people + communities + cities + ecosystems) + ha / km2 area protected / conserved (disaggregate into eco-systems internally - safeguard 30% of the world's ocean by 2030) + CO2 emissions avoided¹⁹</i>					
Priority Pathways	Financial Innovation: Pioneering innovative and scalable finance and insurance products that catalyse over USD 500 million of investments to protect and regenerate valuable natural assets while delivering a return on investment		Science and Research: Accelerating ocean risk and resilience research and modelling that informs financial innovation and policy action to reduce the impacts of climate and ocean change		Policy and Governance: Informing, advancing and driving public and private policy commitments and action that value nature, build coastal resilience, reduce ocean risk and accelerate the delivery of the SDGs	
Indicators outcomes	<i>Finance and investments leveraged (directly, indirectly)</i>		<i>Knowledge generated, adopted and used</i>		<i>Policies engaged with, approved, implemented</i>	
Outcomes	Leverage public & private investments in coastal natural capital that deliver a return on investment	Surface, incubate and scale 50 finance and insurance solutions that build resilience by investing in nature	Undertake research and develop strategies to better understand, analyse, predict, model and manage ocean risk	Improve the design and implementation of gender-sensitive ocean resilience projects in key vulnerable regions	Act as a connector and catalyst for cross-sector collaboration across the Global North and South	Advance the global narrative on ocean risk and coastal resilience with policymakers, finance leaders and investors
Indicators outputs	<i>Value of financial innovations, users of financial innovations, training delivered, etc.</i>		<i>Knowledge products created and shared</i>		<i>Organizations supported (type), partnerships formed</i>	
Outputs	Creating a market for investment in coastal natural capital that yields environmental, social and economic benefits as well as financial returns	Deliver ground-breaking projects with local impact and global potential for increasing resilience	Support Alliance members, partners and communities to implement and incorporate the latest findings on ocean risk and resilience	Embed gender-sensitive strategies and environmental and social safeguards in all of ORRAA's work	Participate in key events and discussions to promote the Alliance's work, projects and fundraising goals	Bringing crucial private sector commitments and expertise to support government and not-for-profit action
Indicators inputs	<i>Projects supported, funding provided</i>		<i>Conduct research, collect and analyze data</i>		<i>Event engagements, meetings organized</i>	
Inputs	ORRAA Sea Change Impact Finance Facility (SCIFF) scoped, developed and delivered	ORRAA Innovation Challenges and projects delivered, implemented and scaled	Conduct research, collect data and engage members through dedicated meetings, newsletters and the ORRAA Solutions Series	Analyse impacts of ocean risk on women and girls, and incorporate solutions that empower and strengthen their resilience	Establish effective ORRAA Secretariat (core team and policy and coordination hub) to serve ORRAA members, support the Alliance's projects and engage in policy development	Engage ORRAA members and increase contributions/participation from Global South and private sector stakeholders including fundraising

Annex B: Gantt chart of ORRAA project timetables



Annex C

1.4 Progress: 1 October 2023 – 31 March 2024

Key pieces between 1 October 2023 to 31 March 2024:

- “Can You Insure a Coral Reef? With the Right Formula, the Answer is Yes”: Maritime Executive - 01 October, <https://maritime-executive.com/editorials/can-you-insure-a-coral-reef-with-the-right-partners-the-answer-is-yes>. Global reach. Similarweb official figures: 737.8k website visits per month.
- “Launch of the Ocean Breakthroughs: 5 pathways to catalyze action to achieve a healthy and productive ocean”: The Climate Champions - 11 October, <https://climatechampions.unfccc.int/launch-of-the-ocean-breakthroughs/>. Global reach. Similarweb official figures: 37.5k website visits per month.
- “Deutsche Bank and Germany SailGP Team announce three-year partnership”: Deutsche Bank - 13 October, https://www.db.com/news/detail/20231013-deutsche-bank-and-germany-sailgp-team-announce-three-year-partnership?language_id=1#:~:text=Deutsche%20Bank%20Wealth%20Management%20and,current%20and%20future%20client%20base. Global reach. Similarweb official figures: 2.1 million website visits per month.

- “Building resilience in Asia: insurance initiatives across the region”: The Insurer - 31 October, <https://www.theinsurer.com/analysis/building-resilience-in-asia-insurance-initiatives-across-the-region/>. Global reach. Similarweb official figures: 43.2k website visits per month.
- “Karen Sack: Five Things That Need to Happen at COP 28”: Lux Magazine, <https://www.lux-mag.com/karen-sack-five-things-that-need-to-happen-at-cop-28/>. Global reach. Similarweb official figures: 37.7k website visits per month.
- “US Announces Plans to Stimulate Investment and Safeguards for Coastal Resilience Through ORRAA Partnership”: ECO Magazine - 4 December, <https://ecomagazine.com/news/coastal/us-announces-plans-to-stimulate-investment-and-safeguards-for-coastal-resilience-through-orraa-partnership>. Global reach. Similarweb official figures: 20.8k website visits per month.
- “Deutsche Bank Becomes First Bank to Join #BackBlue Ocean Finance Commitment”: Nextbillion - 10 December, <https://nextbillion.net/news/deutsche-bank-becomes-first-bank-to-join-backblue-ocean-finance-commitment/>. Global reach. Similarweb official figures: 33.3k website visits per month.
- “Drive to create a capital market for the ocean moves from concept to reality”: Oceanographic Magazine - 11 December, <https://oceanographicmagazine.com/news/sea-change-impact-financing-facility-turns-from-concept-to-reality/>. Global reach. Similarweb official figures: 25.7k website visits per month.
- “The rise, costs and complexities of coral reef insurance”: Sustainable Views – 8 January, <https://www.sustainableviews.com/coral-reef-insurance-has-been-hailed-as-an-important-new-protection-mechanism-for-coastal-resilience-but-setting-up-such-schemes-remains-complex/>. Global reach. Similarweb official figures: 10.5k website visits per month.
- “More than 70 per cent of APAC bank assets exposed to flood risk”: Banking Risk and Regulation – 23 January, <https://www.bankingriskandregulation.com/more-than-70-of-apac-bank-assets-exposed-to-flood-risk/>. Global reach. Similarweb official figures: 16.3k website visits per month.
- “Deep Dive into Blue Carbon, Coastal Resilience, and Ocean Finance”: Climate Links – 27 January, <https://www.climatelinks.org/blog/deep-dive-blue-carbon-coastal-resilience-and-ocean-finance>. Global reach. Similarweb official figures: 35.5k website visits per month.

1.3 Progress: 1 October 2023 – 31 March 2024

ORRAA's ongoing initiatives to promote outreach on projects, members, and partners include the following highlights from this reporting period:

- A sequence of short films focusing on the core elements of ORRAA's activities, featuring female leaders from key finance sector members including Standard Chartered, Deutsche Bank, and the Insurance Development Forum. The chapters of the films included [Financial Innovation in the Ocean](#), ORRAA's [Partnership Model](#), [Shaping Ocean Policy](#), [Economics of the Ocean](#) and [Getting to Scale](#). We continue to use these films alongside other ORRAA visual assets as "evergreen" content through the Alliance's social channels.
- As part of the continuing push to reach new audiences, including at the investor level, Karen Sack spoke at GIIN in October (see External Affairs Section 2.2). ORRAA commissioned and showed an introductory message from [Sir Richard Branson](#) at both the Forum meeting and subsequently through social channels.
- In January, ORRAA published the 2023 [Action Report](#) showcasing the Alliance moving from action to impact, as well as the combined endeavours of our members and projects.
- The latest [ORRAA News](#), the Q1 2024 edition, was published on the 28th March and, as of the 31st March, has been opened and viewed by 47.2 per cent of ORRAA's 839 subscribers, this is a 7.2 per cent increase from the ORRAA News Q1 2023.